88-0276

AUG 15 1988

MEMORANDUM FOR: Executive Director

FROM: Royal E. Elmendorf
                  Director of Personnel

SUBJECT: Simplification of the Position Classification System

REFERENCE: Memo for DA, DI, DO, DS&T fm ExDir, dtd 29 June 1988,
                  Same Subject

     At your request, a Task Force comprised of senior officers of each
Directorate was formed to consider in more detail the implementation issues
connected with the plan to decentralize position classification. We believe
that the attached implementation plan takes into account the specific concerns
raised by the reference, and agree that none of the issues should deter us
from proceeding to decentralize. The Task Force is satisfied that the
proposals for a simplified, decentralized position classification system,
grade point distribution, and an Agency-unique factor evaluation system are
viable ones and, with judicious management, will provide managers with new
tools necessary to assume greater accountability for their personnel
resources. Undoubtedly, there will be some growing pains with the new system
as managers adjust to their roles in this area. However, the phased nature of
the proposal, with decentralization being gradually introduced as generic
position descriptions are completed and coordinated, will give managers time
to adjust to the new processes, and the processes time to be adjusted for
managers. In this regard, we propose that quarterly conferences be convened
wherein members of the Office of Personnel (OP) will provide progress reports
on the effort to Agency managers. The specific areas of concern are addressed
below.

     a. How will decisions about the appropriate grade of support or other
positions be handled?

     Support jobs will be graded by the component manager because he/she is
most aware of that component's support requirements. As with the current
process, however, any change to positions not carrying the component's
career service designation, such as Directorate of Administration
positions in the Directorate of Operations, must have the concurrence of
the cognizant career service. Another, more informal and very practical
control exists today on the grade for support positions, since the support
career services often try to provide an incumbent whose grade is equal to
that of the position being filled. Thus, components that lower the grades
of support positions run the risk of having people in them that cannot do
the job.

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Component managers are not now pressuring the Office of Personnel to downgrade support jobs. Quite the contrary, component managers routinely pressure OP to upgrade support positions in order to "get the best person for the job." We would expect this to continue rather than abate, and do not foresee sudden new pressures to single out and downgrade support positions. Well-coordinated and documented generic standards will provide sufficient checks on the grades of support positions in components.

b.   How can we be sure that major inequities won't be generated?

The issues of equity and control have been the most controversial in the early definition of the decentralized classification processes. Concern has been expressed that some managers will have too great an incentive to take the short-term view and solve immediate staffing, morale, and other pay-related issues through liberal job grading practices, while other managers will suffer in comparison by taking a longer, more corporate perspective on their staffing problems. This short view/long view dichotomy could threaten the current balance in the classification process, throwing out equitable classification and resulting in GS-09s and GS-12s doing the same job in different components.

While this is an understandable concern, we do not believe it has sufficient weight to cause a deferral of the new system. In our view, isolated instances of grade disparity exist now and are likely to continue under the new system. There are likely to be disparities in the new system, just as there are in the old. What is different is that managers will have the flexibilities and the tools to correct disparities. To illustrate, experience shows that "inequitable" job classification, to the extent it can be determined to exist at all in a rank-in-person system, is likely to be most prevalent in two general areas: occupations that cross Directorate lines, and new or rapidly changing occupations (for example, the widest range of grades for similar work has arisen over the last few years among Wang Administrator positions, and other computer support jobs). This disparity exists because the Office of Personnel has been unevenly responsive to pressure from managers to put jobs on the books at higher grade levels—doing so in some cases, not doing so in others—because an agreed upon and up-to-date internal standard or benchmark for grading these positions did not exist, and because each manager was able to take his/her case to the Office of Personnel in isolation.

Under the decentralized scheme, the chances of this kind of disparity could be reduced since managers, often from across the Agency, would be involved directly in developing the classification standard for any new occupation prior to applying it. This process would result in more general agreement on, and acceptance of, the Agency's definition of work

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at each grade level for these occupations. Managers would not be coming to the Office of Personnel one job at a time, but would have the process and the tools to assess each occupation as a whole. Therefore, the potential for grade disparities in cross-Agency or newer occupations may be significantly reduced by decentralizing as planned. With respect to Directorate-specific or well established occupations, few problems of equity are expected to occur. In occupations such as case officer, analyst, and project management engineer, grades and duties are generally well recognized and accepted by managers and employees alike. Therefore, the Task Force believes that the fear that decentralization will worsen existing disparities or foster new inconsistencies in the classification system is unfounded. Moreover, the process of writing and grading generic position descriptions will be a Directorate- or Agency-wide exercise at working toward, rather than defeating, the principle of equal pay for equal work, especially for the newly emerging or changing occupations.

The Office of Personnel, by virtue of managing the grade points and conducting periodic position management surveys, traditionally has been perceived as playing a police role in assuring that major inequities did not occur, and it will continue to perform an oversight role to protect against major inequities in management's application of their generic position descriptions. Once properly graded generic position descriptions have been developed, however, the integrity of the system will be the ultimate responsibility of the line manager, not the Office of Personnel. The Office of Personnel will conduct periodic spot checks of position grades above the journeyman level, and at the request of an office or a directorate will advise managers on applying the generic descriptions to unique situations. The Office will also advise Directorate management of unusual trends in the classification data it monitors, such as average grade, a preponderance of clerical downgrades, or other anomalies suggesting that a generic description is not being interpreted consistently by managers, and would issue an advisory memorandum to all Directorates describing how the generic description is to be applied. The authority to certify the grade level of the position will continue to rest with the line manager.

   c. <u>Will the new system really improve our flexibility and our capability to react quickly?</u>

The dynamics of organizational change, whether driven by technological, mission-related, or other sources are addressed by today's position classification system in a timely way only through an inordinate commitment of time and effort by management and the Office of Personnel. The Agency does react quickly, but the process of formalizing the position grades, titles, and organization structure usually receives a lower priority. This results in managers operating with "nonofficial" position grades and organization structures for several months before their

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"official" structure reflects reality. Although this practice results in no delays in meeting the new mission requirements, it does call into serious question the basic relevance of a position management program when it is always lagging behind the real structure of an organization, to the general discredit of personnel and administrative systems.

The new system will provide line management the tool to put a "real time" organization on the books, which experience has shown is desirable for numerous reasons. It will also raise and resolve debates about position management more expeditiously and locally. This latter point is critical in reorganizations and mergers of organizations where the inability of the Office of Personnel to drop everything and grade the new organization's jobs is viewed as a third party and bureaucratic impediment to meeting the new line organization's mission. Moreover, if the grading of positions is at all contentious in the current system, resolving the conflict delays management and the Office of Personnel from addressing the more important matters of staffing, career development, succession planning, etc. Therefore, to the extent that the decentralized scheme reduces the time it takes to get the jobs set up and on the books, it gives managers increased time (which could be translated as flexibility) to address the more pressing management needs of their organizations. The time gained in setting up the positions in new organizations and getting them put on the books by OP can be better spent in addressing matters with more direct and material effects on the organization.

Another concern about the effect of the new decentralized scheme on management flexibility is that it might make it too easy to reorganize, creating a continuing sense of uncertainty among the ranks and giving the manager too free a hand to reorganize. As stated above, we believe that responsible management in the decentralized scheme will result primarily in time savings that can be used to get on with the staffing, placement, and career management actions often held in abeyance now pending classification actions.

As part of the HRM&CTF activity, OP has been defining and testing out a capability to assist managers in optimizing their organization. As the decentralization advances, OP expects to be in the position to assist managers in planning for and designing new organizations and in recommending better use of position resources.

d. How should ceiling and points be distributed?

We recommend that grade points should be distributed in the same way that other resources are, i.e., based on program requirements. Point distribution should be done using authorized office position ceiling numbers. The process used to determine SIS position allocations is an appropriate model, as is the program call process. We would envision Directorates submitting their projected requirements for points to the

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Office of the Comptroller during the program call, and the Comptroller using these requirements to generate the request for a new Agency average grade. Points made available from the new average grade authorization will be distributed to the Directorates by the Executive Committee as part of the normal course of reallocation once the budget is received by the Agency.

e. Will rotational assignments be facilitated or hindered by the new system?

We do not envision the new system affecting the desirability or management of rotational assignments. What will not change is the fact that the employee is promoted by a Career Service. So long as the rank-in-person system is maintained, the Career Service can promote without regard to the grade of the position being encumbered. Each Career Service now sends clear signals to its employees as to whether rotational assignments are encouraged through its promotion policies. We see no reason for this practice not to continue in the new decentralized scheme.

I and the Task Force members remain positive about the prospect of decentralizing position classification. It will be one of the most significant challenges to be faced by the Office of Personnel in the coming years, yet it can pay off with a major positive impact on the way we manage human resources.

STAT

Royal E. Elmendorf

Attachment:
 As stated

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Distribution:
  Original - Addressee w/atts
         1 - ExRegistry w/atts
         1 - DA Representative w/atts
         1 - DI Representative w/atts
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         1 - DS&T Representative w/atts
         1 - DCI Representative w/atts
STAT   1 - _____ w/atts
         1 - D/OP w/atts
         2 - DD/CAP w/atts
         1 - CAP/PCSD Chrono w/atts
         1 - CAP/PCSD/ODB w/atts

STAT   C/PCSD/ODB_____ (12Aug88)

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FLOWCHART ATTACHMENT

DECENTRALIZATION OF POSITION CLASSIFICATION

#Group Occupations

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#Identify Levels Within Occupations (journeyman/expert/manager)

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+Develop Generic PDs in Agency Standard Format

↓

+Grade Generic PDs Against Agency Standard

↓

#Coordinate with Office

↓

+Provide Managers with Generic PDs

↓

*Submit Position Change Requests through Directorate to ODB

↓

+Implement Position Change
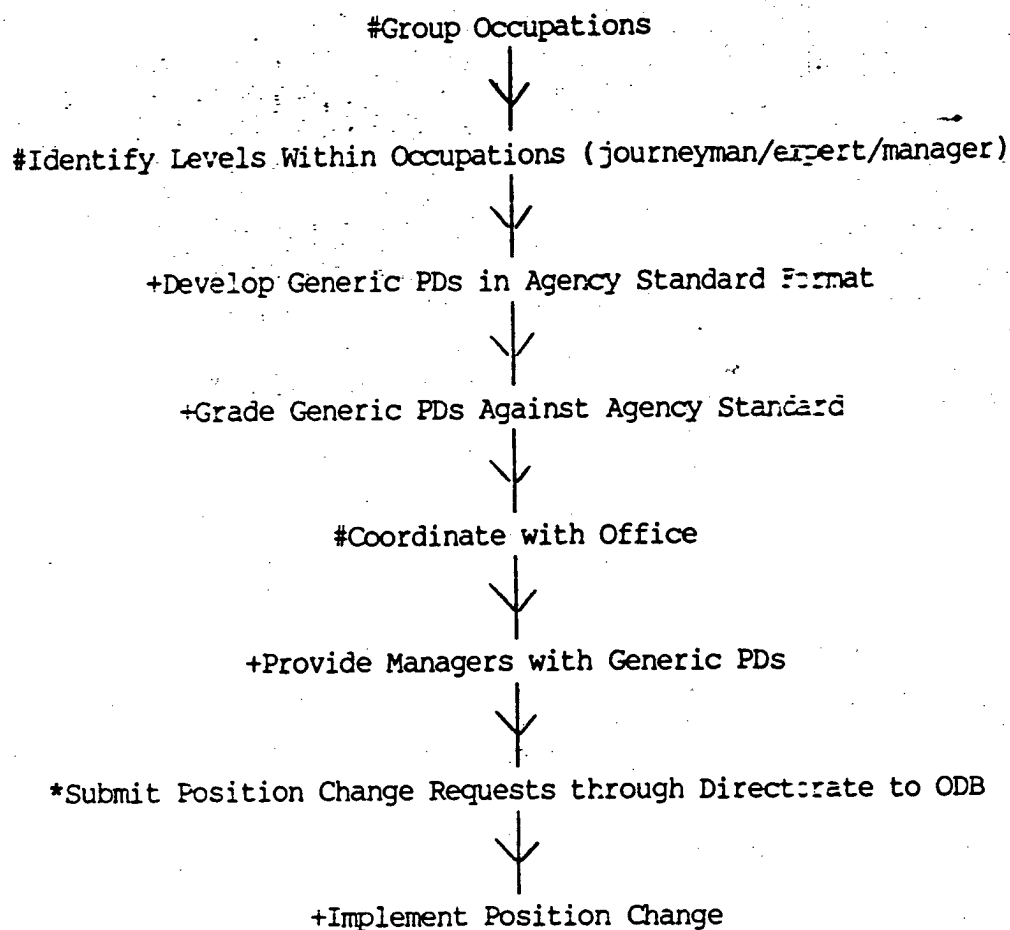
*Office responsibility   +CAP/ODB responsibility   #Combined responsibility

FACTOR EVALUATION SYSTEM
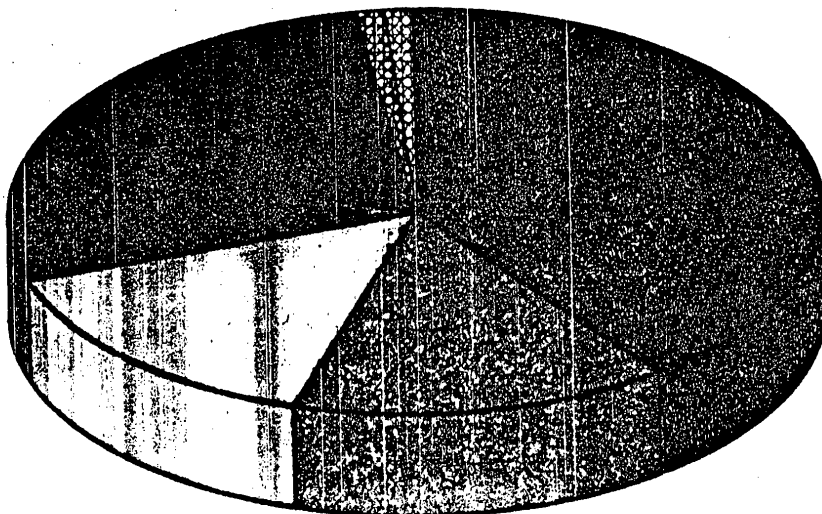
- ■ Knowledge 40%
- ■ Supervisory Ctls 15%
- ▣ Guidelines 15%
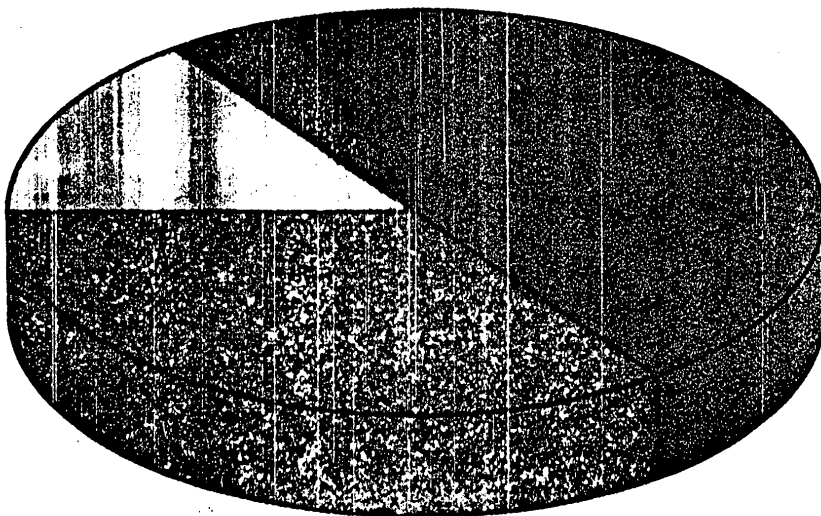- ■ Complexity 10%
- ■ Scope/Effect 10%
- ■ Pers Contacts 3%
- ■ Purp Contacts 5%
- ▦ Phys Demands 1%
- ▦ Wk Environment 1%

ATTACHMENT C$_2$

AGENCY PROPOSED SYSTEM

- ▓ Qualifications 40%
- ▓ Difficulty 35%
- ▢ Resource Mgmt 15%
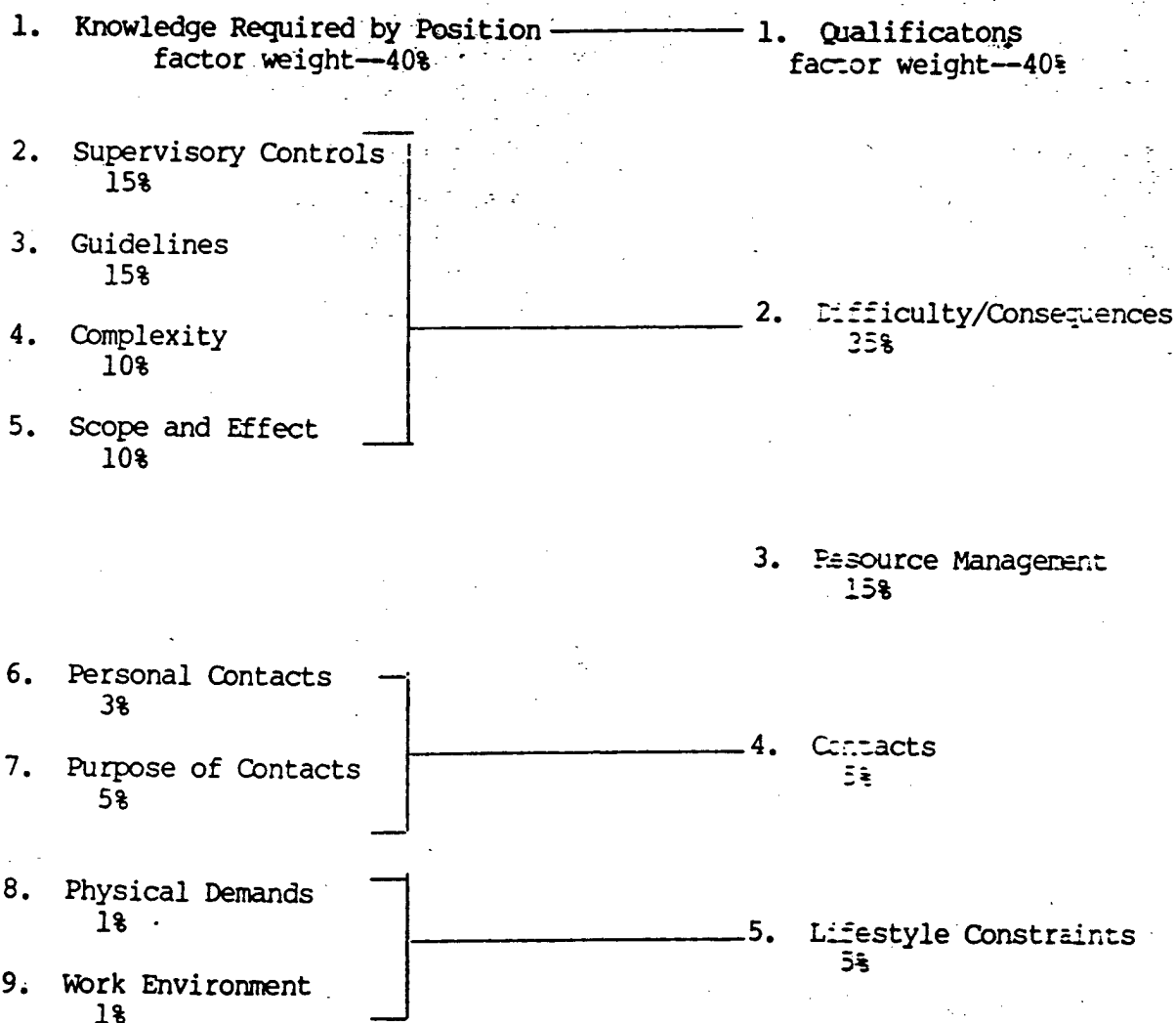- ■ Contacts 5%
- ■ Constraints 5%

POSITION CLASSIFICATION SYSTEMS COMPARISON

CURRENT	PROPOSED

| FACTOR EVALUATION SYSTEM | AGENCY SYSTEM |

1. Knowledge Required by Position ——————— 1. Qualificatons
        factor weight—40%   factor weight—40%

2. Supervisory Controls
        15%

3. Guidelines
        15%

4. Complexity   2. Difficulty/Consequences
        10%   25%

5. Scope and Effect
        10%

                                             3. Resource Management
                                                     15%

6. Personal Contacts
        3%

7. Purpose of Contacts   4. Contacts
        5%   5%

8. Physical Demands
        1%

                                             5. Lifestyle Constraints
9. Work Environment   5%
        1%